



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

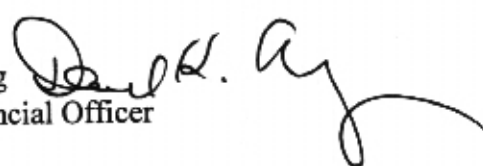
400 Seventh St., S.W.
Washington, D.C. 20590

September 15, 1999

MEMORANDUM TO:

Chief Financial Officers
Financial Management Committee Members

FROM:

David K. Kleinberg 
Deputy Chief Financial Officer

SUBJECT:

Extension of Provisional Capitalization Policy

The provisional capitalization policy of the Department of Transportation (DOT), set to expire at the end of this fiscal year, will be extended through fiscal year 2000. This policy established a DOT default capitalization threshold of up to \$200,000 for structures and facilities and \$25,000 for other general property, plant and equipment.

The extension of this policy will allow continued Departmental focus on capitalization, documentation, and valuation of material Departmental assets. DOT organizations may establish lesser thresholds to meet their specific circumstances, such as for cost recovery purposes.

At the end of next fiscal year, we will reassess Departmental capitalization policy. Questions concerning this policy should be directed to Christine Kent of my staff at (202) 366-5622.